

## CITY AND COUNTY OF SAN FRANCISCO



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## FACSIMILE COVER SHEET

Tuesday, August 29, 2000; Time: 3:26 PM

TO: Members, Electricity Oversight Board:

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FROM: THERESA MUELLER

RE: ISO Board of Consideration of Congestion Management Reform Proposal

MESSAGE:

We are transmitting a total of 3 pages, including this cover sheet. If you did not receive all of the pages or there is another problem, please call me or ARLENE ABELLA at (415) 554-4698.

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OFFICE OF THE MAYOR  
SAN FRANCISCO



WILLIE LEWIS BROWN, JR.

August 29, 2000

Terry M. Winter  
President and Chief Operating Officer  
California Independent System Operator  
151 Blue Ravine Road  
Folsom, California 95630

Jan Smutney-Jones  
Chairman of the Board of Governors  
California Independent System Operator  
P.O. Box 639014  
Folsom, California 95763

Re: ISO Board Consideration of Congestion Management Reform Proposal

Dear Mr. Winter and Mr. Smutney-Jones:

I am writing to express San Francisco's serious concern over the Congestion Management Reform proposal that is scheduled for consideration by the ISO Board of Governors on September 6 and 7. Under the ISO's proposal, consumers in the Bay Area and in certain other areas of California, including San Diego, portions of the Los Angeles basin, Fresno, Humboldt, and the North Bay, could be subjected to significant increases in the prices they pay for electricity. Rough estimates indicate the potential for cost increases of hundreds of millions of dollars each year. While San Francisco will submit substantive comments on the proposal on August 30, we request that the Board vote be rescheduled for a later date when specific information on the consumer impacts of this proposal will be available.

The ISO has an obligation to provide specific data about the cost increases expected from this new proposal. After repeated requests by San Francisco's attorneys and other participants, the ISO has finally agreed to provide data on the cost impacts consumers may experience, but not until after the ISO Board votes on the proposal. Absent such information, the ISO Board cannot make a reasoned decision on this proposal. While the ISO staff spent five months developing this proposal, stakeholders were provided just over one month to review it. I understand that final and critical pieces of the proposal were not released until just a few days ago. For the ISO Board to vote on this important proposal under such circumstances undermines the credibility of the entire process.

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RECYCLED PAPER

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No one in California wants to see the kind of rate shock currently being experienced in San Diego repeated in the future. The ISO's process for consideration of this proposal must be revised to allow for review of ratepayer impacts before the ISO Board votes. Thank you for your consideration of this request.

Sincerely,



Willie L. Brown, Jr.  
MAYOR

cc: ISO Board of Governors  
CPUC Commissioners  
EOB Members